

CIA HISTORICAL REVIEW PROGRAM
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MEMORANDUM FOR: DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Current Panamanian-U.S. Negotiations.

1. The United States position vis-a-vis Communism in the Central American area will be greatly affected by the outcome of current negotiations with Panama. This has immediate bearing on PROGRESS.
2. In the past, President Amador of Panama has maintained a strongly anti-Communist position and has supported our efforts and policies along these lines both internally and in the field of foreign relations. This attitude on the part of his government has been an appreciable factor in sustaining a favorable balance within the Caribbean orbit, despite the upsurge of Communist strength in Guatemala, British Guiana and the French Islands.
3. The brusque termination or collapse of current negotiations may be expected to force Amador to alter his position. To avoid losing control of his own coalition, and to prevent a possible coup d'etat engineered by oppositionists Harmedio Arias and Arnulfo Arias, he will have to assume a position of general hostility to the U.S., and inevitably more favorable to leftists and communists. Since the present governments of Costa Rica, Nicaragua, Honduras, and El Salvador have all given some support to the Panamanian position in the negotiations, a reuff to Panama would create political difficulties for these other governments which have thus far supported the U.S. vis a vis communism.
4. In view of the above factors, and the experience with similar situations in other areas of the world, it is hoped that an early and successful conclusion will result from the negotiations, and that a protracted impasse will not be permitted to develop.

J. C. KMO
Chief, MEO